

Senate File 273 - Introduced

SENATE FILE 273

BY SHIPLEY

A BILL FOR

1 An Act relating to the railroad revolving loan and grant fund
2 by making moneys available to certain railroads operating
3 exclusively in Iowa.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 327H.20A, subsection 2, Code 2023, is
2 amended to read as follows:

3 2. The department shall administer a program for the
4 granting and administration of loans and grants under this
5 section. The department may establish a limit on the amount
6 that may be awarded as a grant for any given project in order
7 to maximize the use of the moneys in the fund. The department
8 may enter into agreements with railroad corporations, the
9 United States government, cities, counties, and other persons
10 for carrying out the purposes of this section. However,
11 the department shall not grant any loans to a class I or
12 class II railroad carrier, as defined by the federal surface
13 transportation board, or any class III railroad carrier, as
14 defined by the federal surface transportation board, that
15 operates trains beyond the borders of this state.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with
18 the explanation's substance by the members of the general assembly.

19 The department of transportation (DOT) controls a railroad
20 revolving loan and grant fund. Moneys in the fund are used
21 to provide assistance for the restoration, conservation,
22 improvement, and construction of railroad main lines, branch
23 lines, switching yards, sidings, rail connections, intermodal
24 yards, highway grade separations, and other railroad-related
25 improvements, and for rail economic development projects that
26 improve rail facilities, including the construction of branch
27 lines, sidings, rail connections, intermodal yards, and other
28 rail-related improvements that spur economic development and
29 job growth. The DOT administers a program for the granting
30 and administration of applicable loans and grants, and may
31 establish a limit on the amount that may be awarded for any
32 given project in order to maximize the use of the moneys in the
33 fund.

34 This bill prohibits the DOT from granting any loans to a
35 class I or class II railroad carrier, as defined by the federal

1 surface transportation board (STB), or any class III railroad
2 carrier that operates trains beyond the borders of this state.

3 The STB is an independent federal agency that is charged
4 with the economic regulation of various modes of surface
5 transportation including primarily freight rail. The STB has
6 defined three classes of railroad carriers, designated as
7 class I, class II, and class III, respectively, according to
8 annual revenue criteria. The STB thresholds, last adjusted
9 for inflation in 2019, for a class I carrier includes a
10 carrier earning revenue greater than \$504,803,294. A class II
11 carrier is a carrier earning revenue between \$40,387,772 and
12 \$504,803,294. A carrier earning revenues less than \$40,387,772
13 is a class III carrier.